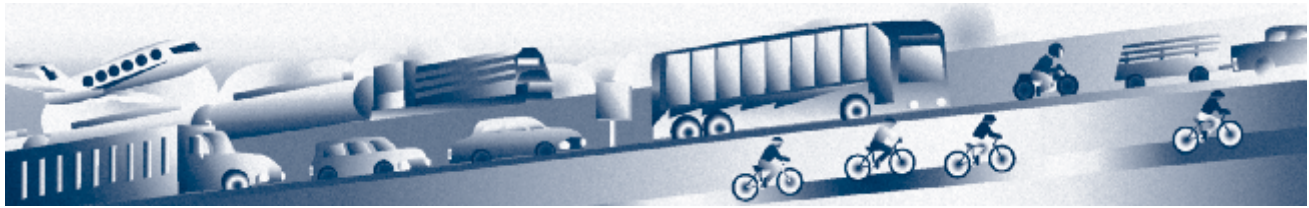


FORUM ON TRANSPORTATION INVESTMENT

8TH MEETING

FINAL REPORT & RECOMMENDATIONS

JANUARY 5, 2006



FORUM ON TRANSPORTATION INVESTMENT

FINAL REPORT AND RECOMMENDATIONS MINUTES

January 5 – 9:00 AM to 12:00 PM
Holiday Inn, 3300 S Vista Ave., Boise, Idaho

A “Final Review Copy” of the Forum’s Report, including revised Executive Summary, Conclusions, Recommendations, and the newly developed Efficiency Strategies Section were sent to the Members prior to this meeting for their review.

Additional documents not included in these minutes:

[agenda 010506.doc](#), [sign in-members 010506.doc](#), [sign in-audience 010506.doc](#)
[FTI Interview questions 010506.doc](#)

Welcome, Introductions, and Meeting Objectives – Jim Kempton, Chair

Jim welcomed all attending (34 members, 21 audience) and asked them to introduce themselves. He noted that he would not be reviewing any more regressions, but rather focuses on the Forum’s report and recommendations as noted in the following meeting objectives.

- Achieve consensus for approval of FTI’s final report and recommendations for transmittal to the ITD Board.
- Achieve consensus regarding possible promotion, endorsement, and other public advancements of the FTI’s recommendations.

Jim related that he felt that the Forum report is a good document, although he encouraged the members to feel free to bring thoughts and concerns to the forefront during our review today or to discuss with him later.

Approval of November 29, 2005 Meeting Minutes – Jim Kempton, Chair

Dale Riedesel moved and Bruce Sweeney seconded to approve the minutes of the November 29, 2005 meeting as written. The motion for approval carried.

Efficiency Strategies Section Review – Tom Warne [Efficiency Strategies 121305.doc](#)

Tom asked the Members to turn to page 93 of their ‘final review copy’ of the report to review the Efficiency Strategies section that has been developed since the last meeting. The section identifies efficiency improvement and administrative options that were addressed by both State and Local entities to ensure that Idaho’s transportation infrastructure is managed efficiently as possible. The section also covers the following future efficiencies.

- Dyed Fuel Tax Enforcement – This subject was discussed at several Forum meetings. The Members recognized that tax evasion should be reviewed.
- Truck/Weight Restrictions – Inconsistencies in size/weight, cost responsibilities, and other regulations and restrictions were noted. A thorough review is warranted.
- Design Standards Review – Nationwide, design and material standards are being reconsidered, i.e., different standards for rural roads, or context sensitive solutions. The Forum agreed that proper standards should be considered as long the standard is cost effective and safety is maintained.

Tom asked for any further comments on the Efficiency Strategies Section. No comments were made.

Revenue Scenarios – Dwight Bower [Revenue Scenarios.ppt](#), [Revenue Scenarios 010506.doc](#)

Dwight reported that from the request at the last meeting, two revenue scenarios were developed. The goal of the scenarios was to increase transportation revenue to meet the predicted annual \$203 million shortfall and maintain the purchasing power for the next 30 years. Changes in law, authority, etc., were not addressed. He noted that on page 92 of the Forum's Report additional information would be added about these scenarios.

Dwight pointed out that the Scenarios used the following assumptions:

1. All revenue increases (fuel and registration) will be distributed to the Highway Distribution Account and be shared using current law and present definition.
2. All revenue from a rental car tax will go to the Highway Distribution Account.
3. Any additional funding received from eliminating or reducing the ethanol exemptions or tax incentives will go to the Highway Distribution Account.
4. Impact fees will be collected by the jurisdiction of origin and shared by all transportation jurisdictions (state and local) that are impacted by the development.
5. Local option tax will be available for public transportation funding initiatives.
6. Increased title and driver's license fees will be shared using current law.
7. To achieve the estimated revenue in each scenario, 1% growth was used for fuel consumption, and 2% growth was used for registrations and driver's license.

A question was asked if these scenarios were based on the 50%-50% split that was used in the past for new revenue or was some other percentage used. Dwight stated that the current law uses a 57%-38%-5% split, and was used for these Scenarios.

Scenario I illustrates an "all at once" revenue generation. All increases included in 1, 2, and 3 would be implemented in the first year, and then indexed to the National Construction Cost Index (NCCI) for each year following. The elimination or replacement of the ethanol exemption and the rental car tax would become effective July 1, 2008. Impact fees would be used statewide. Local option tax would be available to all local jurisdictions upon voter approval. Dwight pointed out that not all jurisdictions would use all of the proposed revenue opportunities, so the total is probably high.

Scenario II illustrates a "5-year phased-in" revenue generation. The scenario assumes that indexing would begin immediately. Fuel consumption, registrations, and driver licenses would continue to grow.

The totals for both scenarios meet the predicted shortfall. Dwight then went on to illustrate how the two scenarios would compare to Idaho Fuel Tax Rates. The chart showed that at the end of both scenarios, fuel tax would be approximately 42¢ per gallon.

Discussion followed:

- Although the revenue scenarios are a step in the right direction, small public transportation entities really need a direct state funding source. Idaho is the only state that does not have a dedicated state fund. The current, limited purchasing program does not begin to meet the needs of many public transportation providers. Although, the proposed revenue generation is probably realistic, public transportation funding will require greater revenue support to become a viable transportation option.
- The authority to impose impact fees or local option sales tax was questioned. Both will probably need further changes/revisions to state and/or local law. Currently only jurisdictions that have ordinance authority can use. Tom Dale noted that the legislature will be addressing impact fees this session.
- Indexing methodologies will need to be developed.

Final Report-Executive Summary, Conclusions, and Recommendations – Review and Consensus Approval – Tom Warne/Dwight Bower

Tom began the review the Executive Summary, Conclusions, and Recommendations for consensus. He noted that if anyone has additional information they would like included in the Final Report that Appendix G-Other Information will contain related transportation information. The Final Report is a record of the Forum and should be as complete as possible. The Executive Summary contains an abbreviated explanation of the Forum's conclusions, with the following Conclusions section containing the substantive details.

The Forum Members then discussed the Executive Summary and made a few clarifications and rewording to match later revisions to the conclusions and recommendations.

The Conclusions were reviewed and modified as follows: revised the introductory paragraphs to the Conclusions to be more to the point, added information about off-road vehicle use, clarified that Idaho is now the 3rd fastest growing state rather than 5th that was reported 2 years ago, and explained how GARVEE bonding does not generate additional state revenue, but borrows against future anticipated federal revenue.

The Recommendations were reviewed.

Concern about P/R-6 was voiced in that the intent of the Forum is that the Impact Fees refer to transportation, not other public facilities such as schools. P/R was revised to read: *"Assess new growth and development Impact Fees for transportation facilities and distribute to transportation jurisdictions within the associated area of impact"*

Recommendation R-3 was also discussed. It was felt that although it is beneficial to encourage alternative fuel development and usage, but vehicles using alternative fuels should pay similar taxes for the transportation system. If the Farm Bureau bill is enacted, ethanol would be used for 10% of all gasoline statewide. This would be result in a sizable impact to state revenue. Recommendation R-3 was revised to read: *"Eliminating or replacing the revenue impact of alternative fuels tax exemptions (e.g., ethanol, bio-diesel, hydrogen, or electric fuels)."*

It was also suggested that an explanation be added to note that detailed information for the conclusions and recommendations are contained in the Report and that an editorial review of the final document be done.

Plan Report/Recommendations Promotion/Endorsement/Public Advancement -- Brainstorming Session – Lisë Stewart/ITD Public Affairs Office

Lisë introduced Mollie McCarty and Jeff Stratten from ITD's Public Affairs Office and opened the discussion on public advancement/promotion of the Forum's report and recommendations. She asked the Members to review the previously distributed handout for fielding interview questions about the Forum and the conclusions. The handout is to give the Members clear, consistent, convenient statements. The members modified the wording on several statements and noted that previous changes will need to be made. The following is the revised version -- [FTI Interview questions 010506.doc](#)

Lisë also asked how the members plan to use the Forum's information. Various members mentioned presentations and spreading the message in appropriate areas. It was agreed that the Forum's recommendations and report are an excellent foundation for identifying Idaho's transportation needs and should receive public advancement. The Forum Members represent multi-levels of users, transportation entities, etc., and thusly are a credible voice for transportation changes. Jim Kempton, Forum Chair, will serve as the key spokesman, but all Members are qualified to speak about the information in the Report and the Recommendations that are proposed. Other Members that are interested in serving as spokespersons should email Jim Kempton. It was also suggested that the Executive Summary, Conclusions, and Recommendations should be made into a separate document that is put on the website. [Report-e.c.r.doc](#)

The ITD Public Affairs Office offered to be a media resource. Other presentation materials, research, etc., can be requested from ITD after the report is presented to the Board. Jeff Stratten presented a short review on how to maintain a proactive media approach. [Communications presentation 010506.ppt](#) Questions were raised about the following media concerns. News releases – prior to the Board Presentation, news releases should be from the Forum, with Jim Kempton or Dwight Bower as the spokespersons. After the Board Presentation, ITD is the lead contact and ca publicize in any way. Board will decide when and how the Forum's information is further presented (legislature, governor, etc.). The Members were reminded to stay with the report information, that they are an independent group with a specific charge to reach consensus agreement.

Plan Presentation to the Idaho Transportation Board Presentation – Dwight Bower/Tom Warne

The Board presentation will be for approximately an hour. The Idaho Transportation Board commissioned the Forum to review Idaho's transportation infrastructure and to report their findings. The Forum now has completed their task and has Recommendations and a Report to present. A presentation to the Idaho Transportation Board is scheduled for 8:30 a.m. on January 17, 2006. Jim Kempton, Chair and Dwight Bower, HW Lochner Consultant, will be the main presenters. All members are invited to show support and to be recognized for the work that has been done. Tom Dale, Vice Chair, noted that he intended to attend.

The presentation will review the Forum's activities, review the Forum findings, present the Forum on Transportation Investment's Report and Recommendations, and answer Board questions. Additional comments, questions, or reports would be decided upon by the Idaho Transportation Board Chair.

Closing Remarks – Jim Kempton, Chair

You, the Members of this Forum, have worked very hard, as evidenced by the Forum's final document. The Report and Recommendations have a good message to carry forward and you should be proud. You may not agree with every point, but the final product is a worthy effort to find common ground.

It has been a pleasure to get back to the transportation issues. I wish to recognize Dwight Bower and Tom Warne, the consultants, Susan Bale and Linda Emry, administrative support, and Lisë Stewart and the other facilitators, for their great assistance. Thanks to everyone for your efforts and support.

Adjourn

The last scheduled meeting of the Forum on Transportation Investment adjourned.